

DDI-643-67a LIAISON 4

CIA No. 4533
23 February 1967

STATINTL

[REDACTED]

STATINTL

Dear [REDACTED]

STATINTL This is in reply to your letter to Dr. R. J. STATINTL
Smith, dated 13 February 1967.

STATINTL [REDACTED] and I have discussed the general
nature of the support you have requested. [REDACTED]
and his staff would be pleased to assist you in your
STATINTL [REDACTED] study. However, the press of other business
restricts the amount of time that can be devoted to
this project. Because of this, we will have to limit
our assistance to advice and a general assessment of
the instances in which your U.S. "mirror costs" may
yield distortions when applied to the USSR. STATINTL

STATINTL Please have [REDACTED] contact [REDACTED] and
arrange for our participation within these limitations.

STATINTL Sincerely,
[REDACTED]

STATINTL Edward W. Proctor
Assistant Deputy Director for Intelligence

ORR: [REDACTED]/Retyped EWP Proctor:fbr

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- 2 - D/P

CIA No. 4533

STATINTL



STATINTL

Dear [REDACTED]

STATINTL

Thank you for your letter to Dr. Smith dated 13 February 1967. We will be happy to assist you in your [REDACTED] project to the extent of our capabilities. However, I want you to appreciate that due to resource constraints our assistance at this time must be limited to advice and a general appreciation of the instances in which your "mirror costs" might yield distortions when used in the Soviet context. Within these limitations please have [REDACTED] arrange with [REDACTED] for your support.

STATINTL

Sincerely,

STATINTL

Edward W. Proctor
Assistant Deputy Director for Intelligence

Distribution:

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STATINTL

ORR:D/P: [REDACTED] crl/x6233 (16 Feb 67)

*retyped &
rewritten ODDI*

CONFIDENTIAL

21 FEB 1967

MEMORANDUM FOR: Assistant Deputy Director for Intelligence

THROUGH : Director of Research and Reports

SUBJECT : OER Support to DoD [REDACTED] Study

REFERENCE : [REDACTED] Memorandum to R. J. Smith, 13 February 1967

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1. Attached for your signature is a reply to the letter sent Jack Smith requesting our support of the [REDACTED] is to explore basing concepts and alternatives for US strategic offensive systems in the post-Poseidon, post-Miniteman period -- roughly 1975-1985.

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2. I was contacted several weeks ago by [REDACTED] formerly a contract employee with [REDACTED] and who is now running the [REDACTED] reaction group (a sort of Red Team -- discussed below). This contact was at [REDACTED] initiative and was followed on Friday (10 February) by a visit from [REDACTED] who is responsible for all costs aspects of the project.

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3. As I understand it, [REDACTED] is being managed by [REDACTED] staffed with all sorts of idea people from industry, not-for-profits and wherever; presumably in their personal as contrasted with their representational capacities. The project is being done at the behest of Secretary McNamara with [REDACTED] having the action. It is concerned principally with the 1975-85 decade and with strategic missile systems only. Also, the objective seems to be the provision of a "menu" consisting of the best (most cost-effective?) system in each category -- land mobile, air mobile and so on -- rather than a final set of recommendations on the best system to be deployed.

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4. There are three teams: a) design (Blue), b) reaction (Red) and c) evaluation (purple). I attach a chart prepared by [REDACTED] cost people should you care for additional structural detail or some indications as to the various personalities involved. You should note, incidentally, that the evaluation team is headed by [REDACTED]

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5. At the meeting with [REDACTED] I stressed the fact that we have no unique capabilities to cost "far out" systems. Given our resource constraints, I offered to support him in two ways, advice and identification of instances in which serious distortions of the conclusions would stem from comparisons of Soviet programs based on U.S. mirror costs.

6. For example, we might examine [REDACTED] concepts to insure that they were not (as they once attempted in the past) trying to make dollar prices reflect ruble price relationships. Also, as systems were compared (in dollars) we might attempt to evaluate the likelihood conclusions suggested by these relative dollar cost relationships would be upset if these systems were expressed in relative ruble costs.

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7. Participation or assistance in an advisory capacity will not imply CIA concurrence in the [REDACTED] study. Carl Duckett is also involved in assistance to the "reaction" group.

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[REDACTED]

25X1A

Chief, Military-Economic
Research Area, ORR

Attachment: a/s

Distribution:

Original and 1 -- Addressee
✓ 1 -- D/ORR
2 -- MRA
2 -- D/P

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